



**Dave Yost • Auditor of State**

**Village of Melrose  
Paulding County**

**Fiscal Emergency Termination**

**Local Government Services**

Village of Melrose, Paulding County

Fiscal Emergency Termination

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    For the Years Ending December 31, 2013 through December 31, 2017



# Dave Yost • Auditor of State

## CERTIFICATION

Pursuant to a request sent to the Auditor of State by the Financial Planning and Supervision Commission of the Village of Melrose, the Auditor of State performed an analysis of the Village of Melrose to determine whether the Commission and its functions under Chapter 118 of the Ohio Revised Code should be terminated. Based on the analysis, the Auditor of State certifies, as required by Section 118.27 of the Revised Code, that the Village of Melrose no longer meets the fiscal emergency conditions set forth in Section 118.03 of the Revised Code, that the objectives of the financial recovery plan are being met, that an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code has been implemented, and that Management has prepared a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State and an opinion has been rendered by the Auditor of State that the financial forecast is considered to be nonadverse. Therefore, the existence of the Financial Planning and Supervision Commission of the Village of Melrose and its role in the operation of the Village of Melrose is terminated as of May 9, 2013.

Accordingly, on behalf of the Auditor of State, this report is hereby submitted to Janet Stroup, Mayor of the Village of Melrose; Ed Thrasher, President Pro-Tempore of Village Council; John Kasich, Governor; Timothy Keen, Director of the Office of Budget and Management; Josh Mandel, Treasurer of State; Jon Husted, Secretary of State; and Claudia Fickel, Paulding County Auditor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST  
Auditor of State

May 9, 2013

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Report on the Termination of the Melrose Financial Planning and Supervision Commission**

At the request of the Village of Melrose Financial Planning and Supervision Commission (the Commission), Paulding County, Ohio, as provided by Section 118.27(B) of the Ohio Revised Code, the Auditor of State has performed an analysis in order to determine whether the Commission and its functions under Chapter 118 of the Revised Code should be terminated.

Guidelines for performing such an analysis are set forth in Section 118.27(A) of the Revised Code, which states that:

“A Financial Planning and Supervision Commission with respect to a municipality...and its functions under this chapter shall continue in existence until such time as a determination is made pursuant to division (B) of this section that the municipality...has done all of the following: (1) planned, and is in the process of good faith implementation of, an effective financial accounting and reporting system in accordance with Section 118.10 of the Revised Code, and it is reasonably expected that such implementation will be completed within two years; (2) corrected and eliminated or has planned and is in the process of good faith implementation of correcting and eliminating all the fiscal emergency conditions determined pursuant to Section 118.04 of the Revised Code, and no new fiscal emergency conditions have occurred...; (3) met the objectives of the financial plan described in Section 118.06 of the Revised Code; and (4) the municipal corporation...prepares a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State...”.

Results of our work under Section 118.27(A) of the Revised Code are as follows:

Pages four through eight of the report indicate that the Village has effectively implemented a financial accounting and reporting system in accordance with Section 118.10(A) of the Revised Code.

All fiscal emergency conditions have been corrected and eliminated and no new fiscal emergency conditions exist under Section 118.04 of the Revised Code. This analysis can be found beginning on page eight.

We have reviewed the objectives of the financial plan and determined that the Village has met the objectives in accordance with Section 118.06 of the Revised Code. Specific conclusions can be found on page twelve.

We examined and issued a non-adverse report on the five-year forecast prepared by the Village. The forecast and our report can be found in Appendix A.

Based on this analysis, the Auditor of State’s Office has determined that the Financial Planning and Supervision Commission and its functions may be terminated.

It is understood that this report’s determination is for the use of the Financial Planning and Supervision Commission of the Village of Melrose, the Auditor of State of Ohio, the Governor of Ohio, the Mayor of the Village of Melrose, and others as designated by the Auditor of State and is not to be used for any other purpose. Our procedures and findings follow.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System**

When a Village is placed in fiscal emergency, the Auditor of State is required to report on the effectiveness of the Village's financial accounting and reporting system. The Auditor of State, in accordance with Section 118.10(A) of the Revised Code assessed the methods, accuracy, and legality of the accounts, records, files, and reports of the Village of Melrose (the Village) and issued a Report on Accounting Methods dated March 13, 2012. The report identified areas where the Village's financial accounting and reporting system were not in compliance with Section 117.43 of the Revised Code and the requirements of the Auditor of State.

The criteria for termination of the Commission include a determination by the Auditor of State that an effective financial accounting and reporting system has been implemented, or is in the process of implementation, and is expected to be completed within two years. This determination is based on management providing a summary of the actions taken to address the issues identified in the Report on Accounting Methods. We confirmed whether the actions taken by management were sufficient to correct the issues identified in the Report on Accounting Methods. A summary of each area of noncompliance identified in the Report on Accounting Methods and the status of each corrective action is presented below:

**Budgetary System**

Auditor of State Comment from Report on Accounting Methods

The Village does not prepare a tax budget or tax ordinance as required by State statute. The County Budget Commission has waived the requirement for the filing of the tax budget; however, the requirement for the tax ordinance cannot be waived by the County Budget Commission. The Mayor is required to prepare a tax ordinance to determine the amount of the tax levy. This ordinance is not currently being completed.

Implemented

The Mayor prepares a tax ordinance to determine the amount of the tax levy. The tax ordinance for 2013 was approved by Village Council on July 16, 2012.

Auditor of State Comment from Report on Accounting Methods

The Village had deficit fund balances contrary to Section 5705.10, Revised Code. The Village Fiscal Officer, as well as Council, must review the financial and budgetary activity to ensure compliance with Ohio budgetary law. This review should be ongoing and documented.

Implemented

As of December 31, 2012, the Village did not have any deficit fund balances.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System** (continued)

**Purchasing Process**

Auditor of State Comment from Report on Accounting Methods

The Village does not require new vendors to submit information before a purchase order is completed. The Village should not issue purchase orders to a vendor until all appropriate information about the vendor is received, including an IRS Form W-9.

Implemented

The Village requires all new vendors to submit required information before a purchase order is completed.

Auditor of State Comment from Report on Accounting Methods

Ohio Administrative Code requires purchase orders to be used to initiate purchase commitments and to encumber funds against the applicable appropriation accounts. Purchases should be certified indicating sufficient unencumbered appropriations exist prior to the purchase of goods or services.

Implemented

The Village is utilizing purchase orders to encumber funds against the applicable appropriation accounts prior to a purchase. Purchase orders are certified by the Fiscal Officer prior to the order for goods and services being placed.

Auditor of State Comment from Report on Accounting Methods

The Village does not have an appropriate preapproval process in place to initiate a purchase. Documented approvals do not occur until the time the invoice needs to be paid. All purchases should be approved by the Mayor and certified by the Fiscal Officer prior to the order for goods or services being placed.

Implemented

The Mayor approves all purchase orders which are certified by the Fiscal Officer prior to the order for goods or services being placed.

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer does not utilize a Then and Now Certificate when purchases are made without prior approval and certification. Purchase orders may be certified at the time of payment but the certification must indicate that, both at the time the order was placed and at the current time (time of payment), a sufficient sum was appropriated and is in the treasury or in the process of collection. Then and Now Certificates for amounts in excess of \$3,000 must be approved by council resolution within thirty days.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System** (continued)

Implemented

The Fiscal Officer generally uses regular or blanket purchase orders; however, uses then and now certificates when necessary.

**Cash Disbursements**

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer is currently signing checks at the time they are printed. This is prior to review and signature by the Mayor. The Fiscal Officer should sign the check after the Mayor has reviewed and signed approving payment.

Implemented

The Fiscal Officer is signing checks after the Mayor has reviewed and signed approving payment.

**Payroll Processing**

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer is not maintaining adequate records and supporting documentation for the information provided to various reporting agencies, such as the IRS and OPERS. Copies of the Form 941's as well as the confirmation of deposits should be kept in a file by year. Copies of the Monthly Report of Retirement Contributions to OPERS and the corresponding confirmations of payment should also be kept in a file by year. Similar information must be maintained on employee withholdings for all other reporting agencies, such as the Ohio Department of Taxation for State income tax and/or school district income tax withholdings, etc.

Implemented

The Fiscal Officer has updated all applicable files and is maintaining adequate records and supporting documentation.

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer is not maintaining adequate personnel files. A file must be maintained for each individual including such information as the Form W-4, Form IT-4, and OPERS Personal History Record, as well as pay rate information.

Implemented

The Fiscal Officer has updated all applicable files and is maintaining adequate personnel files.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System** (continued)

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer is currently signing checks at the time they are printed. This is prior to review and signature by the Mayor. The Fiscal Officer should sign the check after the Mayor has reviewed and signed approving payment.

Implemented

The Fiscal Officer is signing checks after the Mayor has reviewed and signed approving payment.

**Inventory of Capital Assets**

Auditor of State Comment from Report on Accounting Methods

The Village does not maintain an inventory of capital assets. Without an inventory of capital assets, the Village is unable to determine if there is adequate insurance coverage, whether assets have been lost or stolen, whether idle assets exist that can be sold to generate additional revenue, and whether assets are used in the most efficient manner. The Village should develop an inventory of all capital assets and update it annually. The Village should adopt policies and procedures to account for capital assets and develop an inventory of all capital assets.

Implemented

The Village Council has adopted a policy for capital assets and the Village has an inventory of capital assets.

**Cash Management and Investing**

Auditor of State Comment from Report on Accounting Methods

The Village is not required to have an investment policy as per section 135.14 of the Revised Code. However, the Village did not file an exemption form with the State Treasurer's office indicating the Fiscal Officer is exempt from the continuing education requirement as specified in Revised Code Section 135.22.

Implemented

The Village filed the exemption for 2013 on January 24, 2013.

Auditor of State Comment from Report on Accounting Methods

The Fiscal Officer does not attend annual training provided by the State Treasurer's Office for investments. The Fiscal Officer is exempt from this training if the Village has no investments and the Fiscal Officer files an exemption form. The form has not been filed.



Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System** (continued)

Implemented

The Village's investments are limited to certificates of deposit. The Village filed the exemption for 2013 on January 24, 2013.

**Recording Official Proceedings**

Auditor of State Comment from Report on Accounting Methods

The Village has not established a records commission as required by Section 149.39 of the Revised Code.

Implemented

On February 20, 2012, the Mayor, as President of Council, appointed members to the records commission. The records commission last met on February 12, 2013.

Auditor of State Comment from Report on Accounting Methods

The Village has not established rules for the retention and disposal of records as required by Section 149.39 of the Revised Code.

Implemented

The Village Council, by ordinance, has adopted rules for records retention and disposal. The ordinance was approved by Village Council on March 25, 2013.

Auditor of State Comment from Report on Accounting Methods

The minutes reflect occasions when, in the adoption or passage of an ordinance, the yeas and nays are not entered into the minutes. Each ordinance, resolution, or bylaw is required to be adopted or passed by separate vote of Village Council and the yeas and nays shall be entered into the minutes. The Village Council should approve all ordinances, resolutions, or bylaws with a separate vote of Village Council and the yeas and nays shall be entered into the minutes.

Implemented

The minutes reflect the vote of Village Council with the yeas and nays for each vote being recorded.

**Audit Report and Management Letters**

The Village Council and Officials receive a compliance and management letter at the conclusion of each annual audit. The letters that accompanied the December 31, 2010, and 2011 audit identified a number of compliance issues and several recommendations.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 1 - Financial Accounting and Reporting System** (continued)

The issues noted in the management letter accompanying the audit included that neither the Mayor nor members of Village Council had attended the required public records training; that Village Council did not designate all banking institutions the Village utilizes as a public depository in the minutes; that the Village failed to authorize the necessary tax levies in a timely manner; and that the Village was not correctly using purchase orders as outlined in Ohio Revised Code Section 5705.

Neither the Mayor nor members of Council have attended required public records training but are planning to do so when a date and location is scheduled in their area. In February 2013, the Village Council designated the banking institution that the Village utilizes as a public depository. Per the County Auditor, the tax levy for 2013 was filed on September 11, 2012. The Fiscal Officer is currently using purchase orders correctly, as outlined in Ohio Revised Code Section 5705.

In addition, the management letter made several recommendations including the classification of fund balances in accordance with Governmental Accounting Standards Board (GASB) Statement No. 54; regular meetings of the finance (audit) committee; and establishing policies related to credit cards, cellular phone usage, travel, and vehicles.

The Village has corrected the classification of fund balances and are considering the remainder of the recommendations made in the management letter.

The Village's resolution of the issues and/or recommendations outlined above will be addressed in the Village's next audit. The items will not prevent termination of the Financial Planning and Supervision Commission.

**Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions**

Under Section 118.27(A)(2) of the Ohio Revised Code, the Village shall have corrected or eliminated or have planned and be in the process of good faith implementation of actions to correct and eliminate all of the fiscal emergency conditions that existed when declared in fiscal emergency and no new fiscal emergency conditions have occurred in order to be terminated from fiscal emergency. Our analysis of the six fiscal emergency conditions described in Section 118 of the Revised Code is presented below:

**Condition One - Default on Any Debt Obligation**

Section 118.03(A)(1) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a default on any debt obligation for more than thirty days.

The Village had no outstanding debt as of December 31, 2012.

**Conclusion:** A fiscal emergency condition does not exist under Section 118.03(A)(1) of the Revised Code. The Village had no outstanding debt as of December 31, 2012.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions** (continued)

**Condition Two - Payment of All Payroll**

Section 118.03(A)(2) of the Revised Code defines a fiscal emergency condition as:

The existence, at the time of the determination by the Auditor of State under Section 118.04 of the Revised Code, of a failure for lack of cash in the funds to make payment of all payroll to employees of the municipal corporation in the amounts and at the times required by laws, ordinances, resolutions, or agreements, which failure of payment has continued:

- a. For more than thirty days after such time for payment, or
- b. Beyond a period of extension, or beyond the expiration of ninety days from the original time for payment, whichever first occurs, if the time for payment has been extended for more than thirty days by the written consent of at least two-thirds of the employees affected by such failure to pay, acting individually or by their duly authorized representatives.

We reviewed the payroll records of the Village as of December 31, 2012. We reviewed Council minutes, ordinances, resolutions, and had discussions with the Fiscal Officer to determine the employees of the Village, pay rates, frequency of payroll, and whether any extensions for the payment of payroll existed. We reviewed the cancelled checks to determine whether Village employees had been paid within the time specified by Sections 118.03(A)(2)(a) and (b) of the Revised Code. We determined that adequate cash was in the bank account and there was sufficient fund balances to cover payroll.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(2) of the Revised Code as of December 31, 2012. All employees had been paid in amounts and at the times required by ordinance.

**Condition Three - Increase in Minimum Tax Levy**

Section 118.03(A)(3) of the Revised Code defines a fiscal emergency condition as:

An increase, by action of the county budget commission pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the municipal corporation for the current or next fiscal year which results in a reduction in the minimum levies for one or more other subdivisions or taxing districts.

We confirmed with the Paulding County Budget Commission whether there had been an increase, pursuant to division (D) of Section 5705.31 of the Revised Code, in the minimum levy of the Village for 2011 or 2012, which resulted in a reduction in the minimum levies for one or more other subdivisions or taxing districts. The confirmation received from the Paulding County Budget Commission indicated that the Commission had not taken any action for tax year 2011 or 2012 to increase the inside millage of the Village.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(3) of the Revised Code as of December 31, 2012.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions** (continued)

**Condition Four - Past Due Accounts Payable from the General Fund and all Funds**

Section 118.03(A)(4) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which all accounts that, at the end of its preceding fiscal year, were due and payable from the general fund and that either had been due and payable at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities and including any interest and penalties thereon, less the year end balance in the general fund, exceeded one-sixth of the general fund budget for the year, or in which all accounts that, at the end of its preceding fiscal year, were due and payable from all funds of the municipal corporation and that either had been due and payable for at least thirty days at the end of the fiscal year or to which a penalty has been added for failure to pay by the end of the fiscal year, less the year end balance in the general fund and in the respective special funds lawfully available to pay such accounts, exceeded one-sixth of the available revenues during the preceding fiscal year, excluding nonrecurring receipts, of the general fund and of all special funds from which such accounts lawfully are payable.

We prepared a schedule of accounts payable as of December 31, 2012, for all funds that were due and payable for at least thirty days or to which a penalty had been added for failure to pay as of December 31, 2012, including, but not limited to, final judgments, fringe benefits payments due and payable, and amounts due and payable to persons and other governmental entities including any interest and penalties. There were no payables over thirty days past due in any fund.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(4) of the Revised Code as of December 31, 2012. There were no payables over thirty days past due.

**Condition Five - Deficit Fund Balances**

Section 118.03(A)(5) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which the aggregate of deficit amounts of all deficit funds at the end of its preceding fiscal year, less the total of any year end balance in the general fund and in any special fund that may be transferred as provided in Section 5705.14 of the Revised Code to meet such deficit, exceeded one-sixth of the total of the general fund budget for that year and the receipts to those deficit funds during that year other than from transfers from the general fund.

We computed the adjusted aggregate sum of all deficit funds at December 31, 2012, by subtracting all accounts payable and encumbrances from the year end cash fund balance of each fund. No further calculations were necessary because there were no deficit fund balances.

Conclusion: A fiscal emergency condition does not exist under Section 118.03(A)(5) of the Revised Code. There were no deficit fund balances at December 31, 2012.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 2 - Correction of Fiscal Emergency Conditions and Current Existence of Fiscal Emergency Conditions** (continued)

**Condition Six - Treasury Balances**

Section 118.03(A)(6) of the Revised Code defines a fiscal emergency condition as:

The existence of a condition in which, at the end of the preceding fiscal year, moneys and marketable investments in or held for the unsegregated treasury of the municipal corporation minus outstanding checks and warrants were less in amount than the aggregate of the positive balances of the general fund and those special funds the purposes of which the unsegregated treasury is held to meet and such deficiency exceeded one-sixth of the total amount received into the unsegregated treasury during the preceding fiscal year.

We verified the Village's reconciled bank balance to its statement of cash position by fund for all funds as of December 31, 2012, which included subtracting reconciling factors to arrive at the treasury balance. We then determined the aggregate sum of all positive fund cash balances, the purpose of which the unsegregated treasury is held to meet, to determine the treasury deficit. No further calculations were necessary because the treasury balance equaled the sum of all fund cash balances.

Schedule I

Treasury Balance  
Ohio Revised Code Section 118.03(A)(6)  
As of December 31, 2012

	<u>Amounts at December 31, 2012</u>
Bank Cash Balance	
The State Bank and Trust Company	\$64,271
Positive Fund Balances	
General	31,743
Street	27,687
State Highway	685
Permissive Motor Vehicle	2,904
Street Light	307
EMS	40
Fire	93
Ball Association	812
Total Positive Fund Balances	<u>64,271</u>
Treasury Deficiency	<u>\$0</u>

**Conclusion:** A fiscal emergency condition does not exist under Section 118.03(A)(6) of the Revised Code as of December 31, 2012. The treasury balance less the positive fund cash balances as of December 31, 2012, did not exceed one-sixth of the treasury receipts for the year.

Village of Melrose, Paulding County

Report on Termination of the Village of Melrose  
Financial Planning and Supervision Commission

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**Section 3 - Financial Plan Objectives**

We obtained a copy of the financial plan of the Village and determined whether the objectives of the plan have been met. Those objectives identified in the financial plan include the following:

- 1) Eliminate the fiscal emergency conditions which were determined by the Auditor of State, pursuant to Section 118.04 of the Revised Code;
- 2) Balance the budgets, avoid future deficits in any fund, and maintain current payments of all accounts;
- 3) Develop an effective financial accounting and reporting system; and
- 4) Prepare a financial forecast for a five-year period in accordance with the standards issued by the Auditor of State.

All objectives of the financial plan have been met.

**Section 4 - Financial Forecast**

Financial forecasting is an important management tool to assist the Village in making sound financial decisions for avoiding a fiscal crisis in the future. A five-year forecast is required under Section 118.27(A)(4) of the Revised Code. After examining the financial forecast, the Auditor of State rendered a non-adverse report. The financial forecast is contained in Appendix A.

**DISCLAIMER**

Because the preceding procedures were not sufficient to constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the specific accounts and fund balances referred to above. Had we performed additional procedures or had we made an audit of the financial statements in accordance with generally accepted auditing standards, other matters might have come to our attention that would have been reported herein.

**APPENDIX A**

**Village of Melrose  
Paulding County**

**Financial Forecast**

**For the Years Ending December 31, 2013 through December 31, 2017**

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Village of Melrose, Ohio

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# Dave Yost • Auditor of State

Village Council  
Village of Melrose  
705 State Street, P.O. Box 101  
Melrose, Ohio 45861-0101

Based upon the requirement set forth in section 118.27(A)(4) of the Ohio Revised Code, the Local Government Services Section of the Auditor of State's Office has examined the accompanying forecasted statement of revenues, expenditures, and changes in fund balance of the various funds of the Village of Melrose, for the five years ending December 31, 2017. These statements are presented on the budget basis of accounting used by the Village of Melrose rather than on generally accepted accounting principles. The Village of Melrose's management is responsible for the forecast. Our responsibility is to determine whether the Village has met the criteria that allows for the fiscal emergency to be terminated.

Based on our examination of the accompanying forecast, there is nothing in the forecast nor has anything come to our attention that indicates the fiscal emergency should not be terminated. However, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results of operations during the forecast period will vary from the forecast and the variations may be material.

This report is intended solely for the use of the Village of Melrose and the Financial Planning and Supervision Commission of Melrose and should not be used for any other purpose. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST  
Auditor of State

April 15, 2013

Village of Melrose, Paulding County  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis  
For the Years Ended December 31, 2010, through 2012, Actual  
and Ending December 31, 2013, through 2017, Forecasted

General Fund

	2010 Actual	2011 Actual	2012 Actual
<u>Revenues</u>			
Property Taxes	\$9,420	\$5,240	\$5,160
Income Taxes	1,950	19,640	18,210
Intergovernmental	15,900	13,830	13,400
Fees, Licenses, and Permits	420	300	300
Contributions and Donations	70	600	720
Other Revenues	410	0	100
<b>Total Revenues</b>	<b>28,170</b>	<b>39,610</b>	<b>37,890</b>
<u>Expenditures</u>			
Street Lighting			
Contractual Services	0	0	1,430
Security of Persons and Property - Police			
Supplies and Materials	190	0	0
Public Health Services			
Contractual Services	80	0	0
General Government			
Mayor			
Personal Services	1,800	1,800	1,800
Fringe Benefits	260	200	200
<b>Total Mayor</b>	<b>2,060</b>	<b>2,000</b>	<b>2,000</b>
General Government			
Council			
Personal Services	2,970	2,970	2,370
Fringe Benefits	430	360	290
Supplies and Materials	0	480	840
<b>Total Council</b>	<b>3,400</b>	<b>3,810</b>	<b>3,500</b>
Fiscal Officer			
Personal Services	2,700	2,700	2,700
Fringe Benefits	640	510	500
Contractual Services	940	2,460	4,440
Supplies and Materials	80	90	70
<b>Total Fiscal Officer</b>	<b>4,360</b>	<b>5,760</b>	<b>7,710</b>

2013 Forecasted	2014 Forecasted	2015 Forecasted	2016 Forecasted	2017 Forecasted
\$1,600	\$1,600	\$1,600	\$1,600	\$1,600
18,390	18,580	18,770	18,950	19,140
8,960	8,960	8,960	8,960	8,960
300	300	300	300	300
100	100	100	100	100
0	0	0	0	0
29,350	29,540	29,730	29,910	30,100
5,570	5,900	6,260	6,900	7,570
0	0	0	0	0
0	0	0	0	0
1,800	1,800	1,800	1,800	1,800
200	200	200	200	200
2,000	2,000	2,000	2,000	2,000
2,880	2,880	2,880	2,880	2,880
400	400	400	400	400
1,000	0	0	0	0
4,280	3,280	3,280	3,280	3,280
2,780	2,860	2,950	3,040	3,130
520	530	550	570	580
4,100	2,270	2,460	2,680	2,900
70	80	80	80	80
7,470	5,740	6,040	6,370	6,690

(continued)

Village of Melrose, Paulding County  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis  
For the Years Ended December 31, 2010, through 2012, Actual  
and Ending December 31, 2013, through 2017, Forecasted  
(continued)

General Fund

	2010 Actual	2011 Actual	2012 Actual
Lands/Buildings			
Contractual Services	\$3,180	\$2,260	\$2,350
Property Tax Collection Fees			
Contractual Services	870	1,270	1,460
Auditor of State Fees			
Contractual Services	2,450	7,010	4,470
Solicitor			
Contractual Services	590	210	30
Total General Government	16,910	22,320	21,520
Debt Service			
Principal Retirement	3,820	1,530	0
Interest and Fiscal Charges	250	190	0
Total Debt Service	4,070	1,720	0
Total Expenditures	21,250	24,040	22,950
Excess of Revenues Over Expenditures	6,920	15,570	14,940
<u>Other Financing Sources</u>			
Transfers In	0	300	0
Sale of Capital Assets	2,110	0	0
Total Other Financing Sources	2,110	300	0
Changes in Fund Balance	9,030	15,870	14,940
Fund Balance (Deficit) Beginning of Year	(8,050)	980	16,850
Fund Balance End of Year	\$980	\$16,850	\$31,790

See Summary of Significant Accounting Policies and Forecast Assumptions

<u>2013</u> <u>Forecasted</u>	<u>2014</u> <u>Forecasted</u>	<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>
<u>\$2,550</u>	<u>\$2,770</u>	<u>\$3,000</u>	<u>\$3,300</u>	<u>\$3,630</u>
<u>1,200</u>	<u>1,320</u>	<u>1,450</u>	<u>1,600</u>	<u>1,760</u>
<u>0</u>	<u>4,910</u>	<u>0</u>	<u>5,400</u>	<u>0</u>
<u>30</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>40</u>
<u>17,530</u>	<u>20,060</u>	<u>15,810</u>	<u>21,990</u>	<u>17,400</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>23,100</u>	<u>25,960</u>	<u>22,070</u>	<u>28,890</u>	<u>24,970</u>
<u>6,250</u>	<u>3,580</u>	<u>7,660</u>	<u>1,020</u>	<u>5,130</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>6,250</u>	<u>3,580</u>	<u>7,660</u>	<u>1,020</u>	<u>5,130</u>
<u>31,790</u>	<u>38,040</u>	<u>41,620</u>	<u>49,280</u>	<u>50,300</u>
<u>\$38,040</u>	<u>\$41,620</u>	<u>\$49,280</u>	<u>\$50,300</u>	<u>\$55,430</u>

Village of Melrose, Paulding County  
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget Basis  
For the Years Ended December 31, 2010, through 2012, Actual  
and Ending December 31, 2013, through 2017, Forecasted

State Highway Fund

	2010 Actual	2011 Actual	2012 Actual
<u>Revenues</u>			
Intergovernmental	\$780	\$730	\$720
<u>Expenditures</u>			
	0	0	0
Excess of Revenues Over Expenditures	780	730	720
<u>Other Financing Sources</u>			
Transfers In	0	4,530	0
Changes in Fund Balance	780	5,260	720
Fund Balance (Deficit) Beginning of Year	(6,080)	(5,300)	(40)
Fund Balance (Deficit) End of Year	(\$5,300)	(\$40)	\$680

See Summary of Significant Accounting Policies and Forecast Assumptions



<u>2013</u> <u>Forecasted</u>	<u>2014</u> <u>Forecasted</u>	<u>2015</u> <u>Forecasted</u>	<u>2016</u> <u>Forecasted</u>	<u>2017</u> <u>Forecasted</u>
\$720	\$720	\$720	\$720	\$720
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
720	720	720	720	720
0	0	0	0	0
720	720	720	720	720
<u>680</u>	<u>1,400</u>	<u>2,120</u>	<u>2,840</u>	<u>3,560</u>
<u>\$1,400</u>	<u>\$2,120</u>	<u>\$2,840</u>	<u>\$3,560</u>	<u>\$4,280</u>

Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 1 - The Village**

The Village of Melrose is located in northwest Ohio in Paulding County. The Village is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. Operating as a statutory village, Melrose must comply with all State laws regulating village government. The decision making process is directed by an elected Village Council and Mayor. The Village Council is the legislative authority of the Village and consists of six members who are elected at large and serve terms of four years. The Mayor is the chief executive officer of the Village and serves a term of four years.

On December 17, 2008, the Auditor of State's Office declared the Village of Melrose to be in a state of fiscal emergency in accordance with Section 118.03 of the Ohio Revised Code. The declaration resulted in the establishment of a Financial Planning and Supervision Commission. The Commission is comprised of the Mayor, President Pro Tempore of Village Council, three individuals whose residency or principal place of business is within the Village, and a designee from both the State Treasurer's Office and the Office of Budget and Management. This Commission is required to adopt a financial recovery plan for the Village. Once the plan has been adopted, the Village's discretion is limited in that all financial activity of the Village must be in accordance with the plan.

The Village of Melrose provides general governmental services including street construction and maintenance, street lighting, and park maintenance. The operation of each of these activities is directly controlled by the Village Council through the budgetary process. The administration includes the Mayor and the Fiscal Officer.

**Note 2 - Nature of Presentation**

This financial forecast presents, to the best of the Village's knowledge and belief, the expected revenues, expenditures, and changes in fund balances for the forecast period. Accordingly, the forecast reflects the Village's judgment, as of April 15, 2013, the date of the forecast, the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

The forecast presents the funds that are significant to the operations of the Village. For the Village of Melrose, this consists of the General Fund and the State Highway Fund.

**Note 3 - Summary of Significant Accounting Policies**

**A. Basis of Accounting**

This financial forecast has been prepared on a basis of cash receipts, disbursements, and encumbrances, which is consistent with the budget basis of accounting (non-GAAP) used to prepare the historical financial statements. Under this basis of accounting, certain revenue and related assets are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when the obligation is incurred. However, by virtue of Ohio law, the Village is required to maintain the encumbrance method of accounting. This method requires purchase orders, contracts, and other commitments for the expenditure of monies to be recorded as the equivalent of an expenditure in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance.

Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 3 - Summary of Significant Accounting Policies** (continued)

**B. Fund Accounting**

The Village maintains its accounting records in accordance with the principles of “fund” accounting. Fund accounting is a concept developed to meet the needs of governmental entities in which legal or other restraints require the segregation of specific receipts and disbursements. The transactions of each fund are reflected in a self-balancing group of accounts, an accounting entity that stands separate from the activities reported in other funds. The restrictions associated with each class of funds are as follows:

**Governmental Funds**

**General Fund** - The General Fund is the operating fund of the Village and is used to account for and report all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is disbursed or transferred in accordance with Ohio law.

**Special Revenue Funds** - Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to disbursement for specified purposes, other than for debt service or capital projects.

**C. Budgetary Process**

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of the budgetary documents within an established timetable. The major documents prepared are the certificate of estimated resources and the appropriations ordinance, both of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations ordinance are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated.

**Estimated Resources** - On or about September 1, the County Budget Commission issues an official certificate of estimated resources to the Village, which states the projected receipts of each fund. On or about January 1, the certificate of estimated resources is amended to include any unencumbered balances from the preceding year. Prior to December 31, the Village must revise its budget so that total contemplated expenditures from any funds during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the annual appropriation measure.

**Appropriations** - A temporary appropriation measure to control cash disbursements may be passed on or about January 1 of each year if the annual appropriations for the full year are not ready for approval by Village Council. The temporary appropriation measure remains in place until the annual appropriation measure is adopted for the entire year. By March 31, an annual appropriation ordinance must be legally enacted by the Village Council. The appropriation measure may be amended or supplemented during the year as new information becomes available.

**Encumbrances** - The Village uses the encumbrance method of accounting. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve a portion of the applicable appropriation.

Village of Melrose, Paulding County  
 Summary of Significant Accounting Policies and Forecast Assumptions  
 For the Years Ending December 31, 2013, through 2017

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**Note 3 - Summary of Significant Accounting Policies** (continued)

**D. Property, Plant and Equipment**

Capital assets acquired or constructed for general governmental services are recorded as expenditures. Depreciation is not recorded for these capital assets as the purpose of the financial statements for the governmental services is to report the expenditure of resources, not costs.

**Note 4 - General Revenue Assumptions - All Funds**

**A. Property Taxes**

Property tax revenues consist of real property, public utility real and personal property, and prior to 2011, tangible personal property taxes. The Village may request advances from the Paulding County Auditor as the taxes are collected. When final settlements are made, any amounts remaining to be distributed to the Village are paid. Deductions for auditor and treasurer fees, advertising delinquent taxes, election expenses, and other fees are made at these settlement times. The amounts shown in the revenue section of the forecast represent gross property tax revenues.

State law allows for certain reductions in the form of rollbacks and homestead exemptions for residential real estate taxes. The State reimburses the Village for all revenue lost due to these exemptions. The amount of the reimbursement is presented in the account “intergovernmental revenue”.

All property tax revenues are based on property valuations and levy rates. The County is required to reappraise property every six years and update the valuations every three years between the reappraisals. The last reappraisal was completed in 2010 for taxes collected in 2011. The next triennial update will take place in 2013 for taxes collected in 2014 with the next reappraisal scheduled for 2016. The Village’s assessed values upon which property tax receipts were based for the last four years are as follows:

<u>Class of Property</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Real Property				
Residential and Agriculture	\$1,668,050	\$1,695,340	\$1,552,560	\$1,552,800
Commercial and Industrial	113,440	113,440	119,780	119,780
Public Utility Property				
Real	147,330	125,780	103,610	106,990
Tangible Personal	116,032	122,739	106,830	107,198
Total Assessed Value	<u>\$2,044,852</u>	<u>\$2,057,299</u>	<u>\$1,882,780</u>	<u>\$1,886,768</u>

Property tax revenues are generated from the inside millage receipted into the General Fund, as well as from voted levies for EMS and Fire services receipted into the EMS and Fire funds.

Village of Melrose, Paulding County  
 Summary of Significant Accounting Policies and Forecast Assumptions  
 For the Years Ending December 31, 2013, through 2017

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**Note 4 - General Revenue Assumptions - All Funds** (continued)

The levies being collected by fund, the year approved, and the full tax rate are as follows:

Levy Type	Fund	Original Year Approved	First Year of Collection	Last Year of Collection	Total Rate (per \$1,000 of Assessed Valuation)
Inside Millage	General	n/a	n/a	n/a	\$1.80
Current Expense	General	2008	2008	2012	.00
EMS	EMS	2011	2011	2015	.70
EMS	EMS	2009	2009	2013	1.00
Fire	Fire	2011	2011	2015	2.00
Fire	Fire	2010	2010	2014	1.20
Fire	Fire	2010	2010	2014	.60
Total					\$7.30

Public utility real taxes are collected and settled by the County with real estate taxes and are recorded as general property taxes. Beginning in 2001, the Ohio General Assembly reduced the assessment rate for certain tangible personal property of electric and gas utilities from 88 percent to 25 percent. Starting in tax year 2005, the assessment rate for personal property owned by telephone utilities prior to 1995 was being phased down from 88 percent to 25 percent (in tax year 2007) over a three-year period. Beginning in 2007, House Bill 66 switched telephone companies from being public utilities to general business taxpayers and began a four-year phase out of the tangible personal property tax on local and inter-exchange telephone companies.

Real Property - Real property taxes decreased from 2010 to 2011 in the General Fund due to the expiration of a current expense levy (\$2 total rate) and are forecasted to decrease again in 2013 due to the expiration of another current expense levy.

Tangible Personal Property - Tangible personal property taxes have had a number of changes in the past several years. Effective for tax years 2005 and 2006, the assessment rate on inventory was to be reduced by 2 percent if the total statewide collections of personal property taxes for the second preceding year exceeded the total statewide collections of property taxes for the third preceding year. Effective for tax years 2007 and beyond, the assessment rate for inventory was to be reduced by 2 percent per year until completely phased out, regardless of the growth in collections.

In 2006, House Bill 66 phased out, by 25 percent each year, tangible personal property tax on most businesses' inventory, manufacturing machinery and equipment, and furniture and fixtures. This change superseded the changes and phase-out periods addressed above. No tangible personal property taxes have been levied or collected since 2009 from general business taxpayers (except telephone companies whose last year to pay tangible property tax was 2010). The State of Ohio reimburses the Village for the loss of tangible personal property taxes as a result of the changes in House Bill 66 within certain limitations (see Intergovernmental Revenues below).

Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 4 - General Revenue Assumptions - All Funds** (continued)

**B. Municipal Income Taxes**

The Village levies a municipal income tax of 1 percent on all income earned within the Village as well as on income of residents earned outside the Village. The Village does not allow any credit for income taxes paid to another municipality. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village, at least quarterly. Corporations and other individual taxpayers are required to pay their estimated tax quarterly and file a final return annually.

All income tax revenue is credited to the General Fund and used to pay the cost of administering the tax and for general governmental operations. The Village implemented the income tax in December 2009, and collections began in January 2010. For 2010, the Village only received a partial year of income tax collections. Income tax revenues decreased in 2012 due to state and national economic conditions. Income tax revenues are expected to increase approximately 1 percent each year based on an anticipated increase in business and individual earnings. Due to geographic limitations, no growth is expected in the Village.

**C. Intergovernmental Revenues**

Intergovernmental revenues include local government monies and property tax allocations for rollback, homestead, and tangible personal property loss reimbursements. The local government funds are distributed monthly by the State to the Village and by the County Auditor to the Village. The property tax allocations for rollback, homestead, and tangible personal property are received from the State and are based on information provided by the County Auditor.

Beginning in 2006, the State reimbursed the Village for lost revenue due to the phase-out of tangible personal property tax. In the first five years, the Village was fully reimbursed relative to prior law for revenue lost due to the taxable value reductions prescribed by House Bill 66. Over the next seven years, the reimbursements were to be phased-out. The reimbursement was for the difference between the assessed values under prior law and the assessed values under House Bill 66. This means the Village was only to be reimbursed for the difference between the amounts that would have been received under the prior law and amounts actually received as the phase-outs in House Bill 66 were implemented.

In 2011, HB153 accelerated the phase-out of the tangible personal property tax reimbursements by two percentage points per year based on the entity's 2010 tax year reimbursements.

State law grants tax relief in the form of a 10 percent reduction in residential real property tax bills. In addition, a 2.5 percent rollback is granted on residential property taxes. Tax relief is also granted to qualified elderly and disabled homeowners based on their income. The State reimburses the Village for the loss of real property taxes caused by the homestead and rollback tax relief programs.

In tax collection year 2008, the State granted an additional homestead exemption for the first \$25,000 in market value. This exemption increases property tax allocation receipts and decreases general property tax receipts by an equal amount.

Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 4 - General Revenue Assumptions - All Funds** (continued)

In prior years, the State exempted the first \$10,000 in tangible personal property from taxation and the State reimbursed the Village for the lost revenue. In 2004, the State began to phase-out the reimbursement by 10 percent each year. Under House Bill 66, the phase-out period was accelerated. The last reimbursement for this exemption was in October 2008.

Section 503.12(B) of House Bill 66 established a Task Force to study potential sources of State funding for the local government and the local government revenue assistance programs that have the capacity for growth and stability in the funding levels and that considers the changes to the Ohio tax code. In December 2006, the Task Force submitted a report to the Governor and to the General Assembly setting forth its recommendations. The State Budget bill for fiscal years 2008 and 2009 replaced the percentage of tax methodology with a percentage of tax receipts formula. In general, the formula proposes that the three local government funds at the State level receive a percentage of the general revenue fund tax receipts in total collected by the State. In 2011, HB153 made reductions in the local government funding for fiscal years 2012 and 2013. These reductions are approximately 25 percent and 50 percent less than 2011 funding amounts for 2012 and 2013, respectively. No increases are projected for future years.

**Note 5 - Specific Fund Revenue Assumptions**

**A. General Fund**

Fees, Licenses and Permits - Fees, licenses, and permits receipts represent cable franchise fees. Cable franchise fees are 3 percent of gross receipts collected by the cable provider. No increase is anticipated in these revenues.

Contributions and Donations - In 2011 and 2012, the Village received donations for the purchase of miscellaneous items for the Village. Given the unpredictability of this revenue source, amounts throughout the forecast period are anticipated to be \$100.

**Note 6 - Expenditure Assumptions - All Funds**

**A. Personal Services**

Personal services consists of the salaries paid to the Fiscal Officer and elected officials of the Village. The Fiscal Officer and elected officials are paid monthly. Village Council, by ordinance, sets the salary. The Village does not have any other forms of compensation, such as paid leave.

The Village Council consists of six members with an annual salary of \$480, if in attendance at all regular meetings. Village Council is paid from the General Fund.

The Mayor's annual salary is \$1,800 and is paid from the General Fund.

The Fiscal Officer is paid \$225 per month and is paid from the General Fund.

The salary for the Fiscal Officer is anticipated to increase 3 percent per year. No increases are expected for the Mayor or Village Council within the forecast period.

Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 6 - Expenditure Assumptions - All Funds** (continued)

**B. Fringe Benefits**

Fringe benefits include employer contributions to the State pension system, workers' compensation, social security, and Medicare. The Village does not provide health care or any other insurance benefits.

The Fiscal Officer participates in the Ohio Public Employees Retirement System (OPERS). OPERS provides basic retirement, disability, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 145 of the Ohio Revised Code. Employees are required to contribute 10 percent (the maximum) of their annual salary and the Village is required to contribute 14 percent (the maximum) of their annual salary. All elected officials pay into social security.

Workers' compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. A slight increase is expected annually.

**C. Contractual Services**

Contractual services include property and liability insurance, utility charges (telephone, electricity, natural gas, and garbage), postage, advertising, legal fees, auditor and treasurer fees, accounting and auditing services, and amounts paid to the County General Health District. Audits will be performed in 2014 and 2016 and will be paid from the General Fund. In 2010 and 2011, the Village was making installment payments on prior audits. These amounts are now paid in full.

For 2013 through 2017, property insurance is anticipated to increase 10 percent each year.

Utilities are anticipated to increase from 5 to 10 percent each year; telephone expenses are anticipated to increase 5 percent each year; electricity is anticipated to increase 6 percent for 2013, 2014, and 2015, and will then increase 10 percent for the remaining years; natural gas is anticipated to increase 10 percent each year for 2013 through 2017.

Prior to 2012, street lighting costs were paid from property assessments on Village property owners. The Village discontinued those assessments when they imposed the 1 percent income tax. The General Fund began paying the costs of street lighting in 2012 once previously collected assessments had been spent.

**D. Supplies and Materials**

Supplies and materials expenditures include office supplies and operating supplies. Supplies and materials are anticipated to increase between 3 percent and 5 percent per year based upon historical trends.

**Note 7 - Other Funds**

The Village has several other funds that account for resources that are restricted for specific purposes. These funds are anticipated to have sufficient resources to meet their obligations during the forecasted period.



Village of Melrose, Paulding County  
Summary of Significant Accounting Policies and Forecast Assumptions  
For the Years Ending December 31, 2013, through 2017

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**Note 8 - Pending Litigation**

The Village currently has no pending litigation.

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# Dave Yost • Auditor of State

VILLAGE OF MELROSE

PAULDING COUNTY

## CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MAY 9, 2013